



The
Excessively Rare
1855 Kellogg & Company
Fifty Dollar
Gold Piece

Although many expressions

in the English language can be misunderstood with ease, there is one short word, familiar to all Americans for generations, whose meaning is always loud and clear. The crisp, sweet sound of "cash" is productive of an immediately pleasurable recognition. The meaning of the word appears to be both eternal and universal. On closer analysis, however, this assumption is open to some question. No symbol separates one age from another more easily than a concrete manifestation of "cash". The nature of the problem is clearly illustrated by a splendid example of old California gold now being offered to the discriminating inner circle of the coin collecting fraternity.

Held in the hand, the Kellogg Fifty Dollar gold piece is one of those supreme rarities in the American series that can take each one of us back to the roaring days of the '49ers in a flash of the imagination. It is a living example of what cash meant to the rugged men who participated in the Gold Rush during one of the most important formative periods in the history of the United States. How they would have been startled by their present day descendants' less robust concept of the meaning of the same word. The immigrant, a century and a quarter ago, who arrived with his assets in the form of convenient paper notes issued by eastern banks, was in for an unpleasant shock. He found that the Californians had simply banned all paper money. Cash was gold coin and only gold coin was cash.

Curiously enough, in many ways the Kellogg Fifty has much in common with that other famous survivor from a period so important to the development of this country, the Brasher Doubloon. It might even be said that they belong to the same family. Certainly, what was in many ways a quite similar set of forces served to create both coins. The Brasher piece was the product of an 18th century economy that had much of the later Frontier about it. It was brought to life at a time when cash was in short supply, causing enterprising merchants to do something to remedy the deficiency. A quite similar set of basic circumstances underlay the California private gold issues of the 1850's, which also followed the precedent established earlier by Templeton Reid in Georgia and the Bechtlers in North Carolina twenty years before.

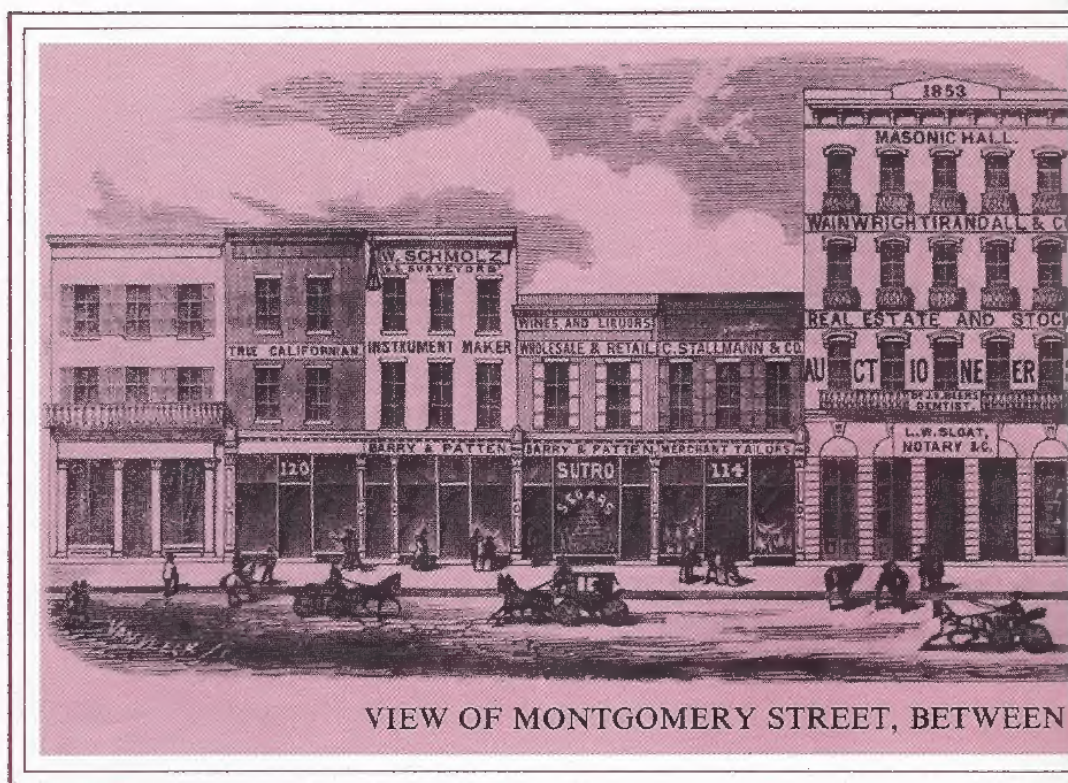
California had been ceded to Mexico by Spain in 1822. It was taken by force from the Mexican Republic by the United States. In accordance with the Treaty of Guadalupe Hidalgo signed on February 4, 1848, the area became an American Territory, to achieve statehood the next year. On January 4, 1848, a certain James Marshall, while engaged in building a sawmill for Captain Sutter on American River, discovered the presence of fine gold flakes in the freely running water. As a result, the economy of the new Territory suffered an abrupt and startling revolution. In the following six years the small population was increased by 342,000 hopeful immigrants lured by the magic of gold. This was the Gold Rush, which became an integral part of the American legend and increased the capital resources of the nation by a substantial amount.

In the beginning the yellow metal was alluvial in origin and easily panned from rivers and streams in the form of relatively pure dust and nuggets. The more sophisticated extraction from quartz rock quarried in mines was to come later. By 1849 there was an abundance of raw gold, but the economy was seriously handicapped by the absence of any satisfactory medium of exchange. This brief statement hardly does justice to the situation which had developed. The almost catastrophic increase in the population created a massive consumer demand for the necessities of life, from blankets and shovels to salt, properly milled flour and Bourbon whiskey. None of these requirements could be provided locally in any reasonable quantity. The merchants of San Francisco were importing vast amounts of goods, all of which had to be paid for in cash. They could accept raw gold on their own end of the transaction, but dust and nuggets created complications when it came to paying debts to suppliers in Boston, New York and Philadelphia. While it is true that there was some foreign gold in circulation, largely in the shape of Latin American Doubloons, the supply was ludicrously short of community needs. The parent U.S. Mint was over three thousand miles away by a very indirect and dangerous route.

Here it must not be forgotten that there was still no effective lateral means of transportation in either direction across the Continent. The Gold Rush itself developed the Covered Wagon "trail", a one-way means of access to the West that required navigation by dead reckoning across wilderness, plain and mountain range. The Pony Express, Stage Coach, railroad and telegraph were all later developments. California kept in touch with the outside world by means of square rigged ships that rounded the Horn. The shorter route across the Isthmus of Panama was too rugged and dangerous for practical use except in emergencies. The resulting monetary crisis was resolved by much the same means adopted by Ephraim Brasher in 1787. The Californians decided to make their own coins, and with very successful results. As a side effect, later generations were provided with a fascinating series of Pioneer gold issues to collect.

Of course the prospectors had proved marvelously adaptable to the primitive circumstances in which they found themselves. Each man carried his stake in a buckskin belt around his waist. For pocket money he used a poke of dust in a soft leather bag. Small purchases, in a saloon for example, were made in terms of a pinch of dust from the poke, the amount that could be held between thumb and forefinger. At first, there was no fixed price for the metal. Although worth between \$16.00 and \$18.00 an ounce at the Mint in Philadelphia, it sold for as low as \$6.00 to \$8.00 an ounce in coin at the diggings. Needless to say, hordes of speculators reaped large profits at the miner's expense. As a result, both miners and merchants were united in their need for reliable coin.

Given the urgency, it is surprising that no privately issued coins were struck before the late Spring of 1849. At the end of May the local press reported the appearance of a \$5.00 gold coin made by Norris, Gregg and Norris of Bernicia City, now considered to have been the first of the private gold pieces. From 1849 until 1856 fourteen different minting establishments produced a flood of ingots, slugs and coins amounting to more than \$50,000,000.



VIEW OF MONTGOMERY STREET, BETWEEN

On the surface the reader might now assume that the currency problems of Pioneer California had reached a happy conclusion. This was hardly the case. Discovery of gold in new territories to the east had also resulted in necessity coins which began to drift into California. Of course, it was clearly understood that private mints were not restricted to making coins. They were also expected to make profits, the name of the game then as now. But there were limits. From Salt Lake City came a series of odd looking pieces struck by the Mormons under the personal supervision of Brigham Young himself. The trouble was that the Mormon \$20.00 coin had a net value of only a fraction over \$17.00, and all the others were in proportion. Some of the home products were little better. The spiritual brethren of the enterprising speculators, who gave the miners only \$8.00 an ounce for new gold worth more than twice as much, were in the minting business, and they went too far. Mormon coins were soon universally refused, Miner's Bank gold only accepted at a 20% discount, and many other mints ceased to strike in 1850, victims of their own gross cupidity.

Of the whole unsavory group attempting to foist what were basically fraudulent coin on the public in 1849, only the reputation of Moffat & Co. stood the test. They were the only mint that survived to issue coinage the next year. Moffat was soon joined by other substantial firms like Broderick & Kohler, Baldwin, Dubosq and Schultz. In 1850 the merchants of San Francisco successfully petitioned the Legislature to establish a State Assay Office. This was opened in May, 1850 under Kohler's supervision and issued somewhat controversial ingots until the law setting it up was repealed on January 28, 1851. It was immediately replaced by a Federal facility that met with general public approval.



Illustration courtesy John J. Ford, Jr. & Wells Fargo Bank History Room.

The swift transition from the short lived State Assay Office to the United States Assay Office of Gold was made possible by the simple expedient of taking advantage of existing arrangements already in working order. The Federal contract was awarded to Moffat and Co. as one of the most reliable firms in the business. Augustus Humbert of New York, appointed United States Assayer, arrived in San Francisco at the end of January, 1851 ready to take charge. The chaotic state of the coinage that had afflicted Californians for too long was nearing an end. But even more important from our point of view, the magnificent octagonal pieces and great round coins in denominations of \$50.00 were about to appear.

For the first few months the Assay Office issued only the octagonal \$50.00 coins. But by July the *Alta California*, an influential paper, began to complain that, "The large fifty dollar chunks are becoming a decided nuisance, unless privately taken in large quantities." This quaint observation went to the heart of the matter. Smaller denominations were in short supply. It was becoming just too difficult to make change. It took six months for the local dissatisfaction to register in Washington. Then on December 9, 1851, the Treasury gave the Assay Office permission to strike smaller coins, only to rescind it the next day! Silly maneuvers of this kind may have been understood in Washington. They were not in San Francisco. The merchants and bankers combined their forces once again. Moffat, although operating the Assay Office, was asked to strike smaller denominations on its own behalf. This it did, joined by Wass, Molitor. The Treasury fell into line in February, 1852 and directed the Assay Office to strike \$10.00 and \$20.00 gold pieces. Then in a matter of months, the raw powers of California gold began to be understood in the Nation's Capital. The usual wrangling and trading on the floor of Congress suddenly collapsed and the bill authorizing a branch Mint in San Francisco was finally passed on July 3, 1852.

At this stage in the proceedings it would almost seem that the story of the California private gold coinage had come to an end without the appearance of the Kellogg Fifty. Nothing could be further from the truth. Another two years were to pass before the San Francisco Mint was able to strike the Federal coinage. The Assay Office finally closed on December 14, 1853, when the entire plant was purchased by the Treasury for use as the new Mint. But it was not until 1854 that limited quantities of Eagles and Double Eagles finally began to appear. The leisurely way Congressional intentions were being implemented aroused the financial community once again. This time it was the largest denomination that was in short supply, and in March of 1854 Congress was petitioned to permit the striking of \$50.00 coins. Of course the request was refused in Washington, where it was apparently difficult to think big. The Californians subsided grumbling and remained quiet for almost exactly a year. By that time the familiar shortage of smaller gold was being felt again. This time everybody had had enough of Washington, although token gestures were made in that direction as a matter of form. The new Mint was not permitted to strike the large denomination and was unable to provide smaller pieces in significant quantities. Predictably, the Californians met the crisis by falling back on their own resources.

By 1854 there were two reliable private assayers of gold in business to whom the community could turn. The oldest of these, Wass, Molitor & Company, had already issued its own \$5.00 and \$10.00 gold pieces in 1852. The other was Kellogg & Richter. Kellogg had worked as cashier of the U.S. Assay Office of Gold, and Richter had been an Assayer in the same Office before it became the Mint. These men, at the request of a number of San Francisco Bankers, joined together to open their own assay office and mint on December 19, 1853. The first coins appeared on February 9, 1854. In October, 1854 Richter left the partnership to be replaced on April 24, 1855 by Augustus Humbert, the man who had been first officer in charge of the U.S. Assay Office. The new premises, opened at 104 Montgomery Street, are shown in the illustration accompanying this article. Humbert's name and high reputation added to the prestige of the firm. Kellogg struck particularly handsome \$20.00 gold coins in 1854 that bore a marked resemblance to the Federal Double Eagles. Both firms had responded to community needs before, as they were to do again in 1855. In a matter of days they were striking the necessary smaller denominations so much wanted by the local businessmen.

It is of immediate interest, however, that the requirements of the large merchants were also met. Wass, Molitor was first in the field with an impressive \$50.00 coin. Quite a number of these pieces were struck. Kellogg also prepared to issue the highest denomination. Dies were cut and Proofs struck of a particularly splendid coin. This is the Kellogg Fifty. The obverse carries a Liberty head similar to that used on the Federal coinage but with the firm's name on the coronet. The reverse shows the same graceful eagle with a ribbon in its beak that had been made familiar by the U.S. Assay Office's octagonal \$50.00 pieces. The weight and fineness appear on another ribbon above the eagle's head. Altogether the coin has a striking appearance. As a glittering Proof it carries with it something of the splendor and glamour of the fabulous days of the Gold Rush.

In early 1981 Stack's was privileged to sell a magnificent specimen of the Brasher Doubloon. It is now a distinct honor for us to present a great rarity from another significant period in the history of our country. The famous Kellogg Fifty Dollar gold piece, one of the most celebrated of all Pioneer gold coins, will surely be the centerpiece of a distinguished collection.



**THE 1855 KELLOGG & COMPANY
FIFTY DOLLAR GOLD PIECE**

Obverse: A beautifully designed head of Liberty facing left; KELLOGG & CO. on coronet; engraver's name F. GRUNER in very small letters on the truncation; date 1855 below; surrounding the Liberty head are 13 perfect six-pointed stars.

Reverse: A finely executed eagle supporting shield, with a plain ribbon in its beak; 1809 GRS. 887 THOUS on a scroll above; SAN FRANCISCO CALIFORNIA FIFTY DOLLS. around. Reeded edge. **Brilliant Proof.**
Ex N.M. Kaufman Collection.

\$275,000

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123 WEST 57th STREET, NEW YORK, N.Y. 10019

